

XRP ETF Approval Odds Jump After SEC OKs Grayscale Shift

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The journey toward a United States XRP-spot exchange-traded fund (ETF) is showing promising signs after a major regulatory milestone was reached on July 1. The Securities and Exchange Commission (SEC) approved Grayscale Investments' request to convert its Digital Large Cap Fund (GDLC) into an ETF, a move that could pave the way for broader crypto ETF approvals, including XRP-spot ETFs that many investors have been eagerly awaiting.

What This Approval Means

Grayscale's Digital Large Cap Fund isn't just any fund. It offers exposure to some of the biggest names in the cryptocurrency space, Bitcoin (BTC), Ethereum (ETH), Cardano (ADA), Solana (SOL), and importantly, Ripple's XRP. By approving the shift from a traditional fund to an ETF structure, the SEC has effectively given a thumbs-up to a new kind of investment vehicle that could offer greater accessibility and liquidity to investors interested in these digital assets.

ETFs are popular because they trade like stocks on traditional exchanges and are often easier to buy and sell than individual assets. For crypto enthusiasts and institutional investors alike, having a spot ETF means the fund holds the underlying cryptocurrency, rather than just futures or derivatives. This can provide more direct exposure to price movements.

Why XRP-Spot ETFs Are So Anticipated

Ripple's XRP has long been a focus in the crypto space, especially given its ongoing legal battle with the SEC. This legal uncertainty has made it difficult for XRP to gain broad acceptance in mainstream investment products. However, the recent green light to Grayscale's fund conversion could signal a shift in the SEC's stance toward crypto ETFs, including those featuring XRP directly.

Several XRP-spot ETF applications are currently pending with the SEC, with the final decision deadline set for October 17. Analysts at Bloomberg Intelligence, including James Seyffart and Eric Balchunas, recently increased their confidence in the SEC's likelihood of approving these ETFs, now estimating a 95% chance of approval by the end of this year.

What Investors Should Keep in Mind

For investors, the approval of Grayscale's Digital Large Cap ETF means more options and potentially easier ways to gain exposure to cryptocurrencies, including XRP. It also reflects the growing acceptance and maturity of crypto assets in traditional financial markets.

However, it's important to remember that regulatory processes can still be complex and sometimes unpredictable. While optimism is high, the final approvals for XRP-spot ETFs will be closely watched and could have significant implications for the crypto market landscape.

Looking Ahead

If the SEC follows through and approves XRP-spot ETFs later this year, it could mark a turning point for crypto investments, opening doors for more widespread adoption among retail and institutional investors. The recent approval of Grayscale's fund conversion serves as a key milestone in that journey, highlighting the evolving relationship between regulatory bodies and the fast-growing world of digital assets.

For now, investors and enthusiasts alike will be watching closely as October 17 approaches, hopeful that XRP and other cryptocurrencies will soon be more accessible through these highly anticipated ETF products.